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# Draft Report On Billy Hits Carter, Aides

## Administration Cited For Poor Judgment

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President Carter and several key members of his administration used poor judgment in their handling of Billy Carter's Libyan connection, according to a preliminary draft report prepared by the staff of the Senate subcommittee investigating the president's brother.

The report, circulated to the nine Senate investigators yesterday, reserves its severest condemnation for the conduct of the president's brother himself during the six-month Justice Department probe that led to his registration as a foreign agent for Libya last July.

The draft report says that only after being confronted with the facts by Justice did Billy Carter acknowledge his Libyan links, his receipt of \$220,000 in payments from the anti-U.S. Tripoli government as well as a multimillion-dollar oil agreement with that government.

"His conduct was contrary to the interests of the president and the United States and merits condemnation," the draft says.

But the report also chastises the president, national security adviser Zbigniew Brzezinski, attorney General Benjamin R. Civiletti, CIA Director Stansfield Turner and the president's appointments secretary, Phillip Wise, for bungling in the Billy Carter affair.

Speaking of the president, the report states, "the subcommittee concludes (he) should have either issued a public statement or sent a private message to Libya that Billy Carter did not represent the United States and that Libya would not gain any influence through Billy."

The report says Carter should have publicly disclaimed his brother's activities before Billy Carter went on his second trip to Libya, in the summer of 1979.

The report severely criticizes Brzezinski and Civiletti for their roles.

Brzezinski had two encounters with Billy Carter. The first was in November 1979, when — at the suggestion of Rosalynn Carter — the national security adviser asked Billy Carter to broker a meeting at the White House between him and the chief Libyan diplomat in Washington, Ali Houderi. The purpose was to discuss the plight of U.S. hostages held in Iran and try to gain Libyan support for their release.

The second was late last March when Brzezinski, after receiving intelligence information from Turner that Billy Carter was negotiating an oil deal with Libya, telephoned Billy Carter and warned that he could embarrass his brother, the president.

About the White House meeting between Brzezinski and the Libyan diplomat, the subcommittee report states that it "believes that full and careful reflection leads to the conclusion that the decision to use Billy Carter in the hostage crisis was ill advised."

About the telephone warning to Billy Carter, the report states: "the subcommittee concludes that communicating a portion of the intelligence information to Billy Carter, the subject of the information, carried with it the risk that sources would be compromised."

Civiletti was chastised for his failure to share "classified information (about the case) that came to him in April 1980 with any trustworthy subordinate who had the necessary security clearance."

Pointing out that Civiletti believed the intelligence information he received was so sensitive that he would not pass it on even to subordinates to whom it would have proven helpful, the report says that "communicating to Billy also made it more difficult for FARA (foreign agents' registration act) investigators to make their case against the president's brother."

This was a second intelligence report about Billy Carter that came to the attention of a major Carter administration figure. While Brzezinski was given information on the oil deal by the CIA, the defense intelligence establishment alerted Civiletti that Billy Carter was on the verge of receiving money from Libya.

In criticizing Civiletti's withholding of this pertinent information from his own investigators — information it took the investigators three more months to come up with — "he did so without attempting to learn whether the department had available to it other information which might have permitted it to make investigative use of the April 1980 intelligence," the report states.

While condemning Civiletti's behavior, the report praises the Justice investigators on the case with "honestly and conscientiously" pursuing Billy Carter's Libyan links.

The report also concludes that Civiletti did nothing "improper" by sharing with President Carter the knowledge that Billy Carter needed to register as a foreign agent.

But, the report continues, "he (Civiletti) should not have made what amounted to a prediction that criminal proceedings would not be instituted if Billy registered because that had yet to be determined by the Department of Justice."

Civiletti gave President Carter the information at an Oval Office meeting last July, only days before Billy Carter finally registered — partially because of the prodding by his brother.

The report is critical of Turner for his decision "not to refer the information" on the oil deal to Civiletti, as he had to Brzezinski.

The report states that Turner made the decision "without calling for any information that might have been available within the intelligence community and in fact was available."

The report also accuses the president's appointments secretary, Wise, of causing "some delay in the progress of the investigation" into Billy Carter by failing to cooperate with the Justice Department.

It says Wise was "less cooperative than he should have been in returning calls by an FBI agent seeking to interview him and professed not to remember events relevant to the investigation."

Wise was Billy Carter's chief contact at the White House and, according to testimony heard by the subcommittee, cooperated with FBI investigators only after several attempts.

The preliminary report, drafted on the basis of 10 public and about a half-dozen executive sessions, was circulated to the five Democrats and four Republicans on the investigating subcommittee for comment.